

Production of Major Crops Up

INCLUDED IN THIS ISSUE

CROP PRODUCTION

MARKET IMPLICATIONS

The Kansas **wheat** crop is estimated at 475.3 million bushels, unchanged from the July 1 forecast but 78 percent larger than the 2002 crop. Yield is estimated at 49 bushels per acre, up 16 bushels from a year ago. Acreage harvested for grain, at 9.7 million acres, is unchanged from July 1 but up 1.6 million acres from last year.

Corn production is expected to total 334.8 million bushels, up 15 percent from the previous year's production of 290.0 million bushels. Planted acreage was 2.9 million acres, 350,000 acres below a year ago.

Acreage expected to be harvested for grain is 2.7 million acres, up 200,000 acres from last year. Corn yields are expected to average 124 bushels per acre, 8 bushels above the 116 bushels per acre in 2002.

Kansas **sorghum grain** production is forecast at 166.6 million bushels, up 23 percent from the 135.0 million bushels in 2002. Yields are expected to average 49 bushels per acre, up 4 bushels from last year's yield. Planted acreage is 3.7 million acres, down

100,000 acres from 2002. Sorghum acreage to be harvested for grain, at 3.4 million acres, is up 13 percent from 2002.

Soybean production is forecast at 67.6 million bushels, up 16 percent from last year's production of 58.4 million bushels. Yield is forecast at 26 bushels per acre, up 3 bushels from last year's yield. Harvested acreage is expected to be 2.6 million acres, up from the 2.54 million acres harvested last year. Planted acres are estimated at 2.7 million, down 50,000 from 2002.

Cotton production is expected to total 150,000 bales in 2003. Planted acreage is a record 125,000 acres, up from 80,000 last year. Harvested acreage is forecast at 113,000.

Apple production is forecast at 4.1 million pounds for 2003, up 400,000 pounds from last year's crop.

Kansas Crop Production, August 1, 2003

Crop & Unit	Planted <u>1/</u>		Harvested		Yield per Acre <u>2/</u>		Production	
	2002	2003	2002	2003	2002	2003	2002	2003
	1,000 Acres				Per Unit		(000's)	
Winter Wheat, bu.	9,600	10,300	8,100	9,700	33	49	267,300	475,300
Oats, bu.	140	150	60	90	52	70	3,120	6,300
Corn Grain, bu.	3,250	2,900	2,500	2,700	116	124	290,000	334,800
Sorghum Grain, bu.	3,800	3,700	3,000	3,400	45	49	135,000	166,600
Soybeans, bu.	2,750	2,700	2,540	2,600	23	26	58,420	67,600
Dry Beans, cwt. <u>3/</u>	18.0	12.0	14.5	11.0	1,100	1,700	160.0	187.0
Cotton, 480 lb. bales <u>3/</u>	80.0	125.0	68.0	113.0	539	637	76.3	150.0
All Hay, tons	-	-	3,250	3,100	2.14	2.34	6,965	7,265
Alfalfa Hay, tons	-	-	950	950	3.70	3.80	3,515	3,610
Other Hay, tons	-	-	2,300	2,150	1.50	1.70	3,450	3,655
Apples, lbs.	-	-	-	-	-	-	3,700	4,100

1/ Planted for all purposes. 2/ Production divided by harvested acres rounded to whole bushels. 3/ Yield in pounds.

U.S. Crop Production

UNITED STATES: All wheat production is placed at 2.29 billion bushels, down 1 percent from the July forecast but up 42 percent from 2002. Based on August 1 conditions, the U.S. yield is forecast at 43.5 bushels per acre, down 0.4 bushel from last month.

Winter wheat production is forecast at 1.71 billion bushels. This is down slightly from last month but 50 percent above 2002. The U.S. yield is forecast at 46.9 bushels per acre, down 0.1 bushel from last month. Acres for harvest as grain are forecast at 36.5 million, unchanged from last month but up 23 percent from 2002.

The 2003 **sorghum grain** production forecast is 448 million bushels, up 21 percent from 2002. Based on August 1 conditions, yield is forecast at 54.4 bushels per acre, up 3.7 bushels from 2002. Current yields are expected to equal or exceed last year's yields in every state. Kansas, the leading sorghum producer, is expecting a yield of 49, up 4 bushels from last year. Texas, the second leading sorghum producer, expects a yield of 54, up 3 bushels from 2002. Acreage expect-

ed to be harvested for grain in the U.S. in 2003, at 8.24 million acres, is up 1 percent from the June estimate and up 13 percent from the 2002 harvested grain acreage.

Corn production is forecast at 10.1 billion bushels, up 12 percent from last year and 2 percent above 2001. Based on August 1 conditions, yields are expected to average 139.9 bushels per acre, up 9.9 bushels from a year ago. If realized, both production and yield would be the largest on record. Acreage for harvest is estimated at 71.9 million acres, down 70,000 acres from June but up 4 percent from 2002.

Soybean production is forecast at 2.86 billion bushels, up 5 percent from 2002 but down 1 percent from two years ago. Based on August 1 conditions, yields are expected to average 39.4 bushels per acre, up 1.6 bushels from 2002. Acreage for harvest is estimated at 72.6 million acres, down 55,000 acres from June but up 1 percent from the 2002 acreage.

United States Crop Production, August 1, 2003

Crop & Unit	Planted ^{1/}		Harvested		Yield per Acre		Production	
	2002	2003	2002	2003	2002	2003	2002	2003
	1,000 Acres				Per Unit		(000)	
All Wheat, bu.	60,358	60,940	45,817	52,677	35.3	43.5	1,616,441	2,291,825
Winter Wheat, bu.	41,735	44,349	29,651	36,491	38.5	46.9	1,142,802	1,712,150
Oats, bu.	5,005	4,676	2,098	2,331	56.8	64.9	119,132	151,345
Corn Grain, bu.	79,054	79,066	69,313	71,915	130.0	139.9	9,007,659	10,064,452
Sorghum Grain, bu.	9,580	9,777	7,299	8,241	50.7	54.4	369,758	448,438
Soybeans, bu.	73,758	73,653	72,160	72,626	37.8	39.4	2,729,709	2,862,039
Dry Beans, cwt. ^{2/}	1,922.1	1,501.2	1,726.9	1,417.8	1736	1717	29,974	24,344
Cotton, 480 lb. bales ^{2/}	13,957.9	13,631.0	12,426.6	12,302.4	665	667	17,208.6	17,103.5
All Hay, tons	-	-	64,497	64,379	2.34	2.49	150,962	160,018
Alfalfa Hay, tons	-	-	23,135	23,541	3.19	3.31	73,824	77,952
Other Hay, tons	-	-	41,362	40,838	1.86	2.01	77,138	82,066
Apples, lbs. ^{3/}	-	-	-	-	-	-	8,555.6	9,266.6

^{1/} Planted for all purposes. ^{2/} Yield in pounds. ^{3/} Reported in millions.

Kansas Crop Production Forecast, August 1, 2003, by Districts

Crop And District	Acres Planted, All Purposes		Acres Harvested for Grain			Yield per Acre		Production		
	2002	2003	2002	2003	% Prev. Year	2002	2003	2002	2003	% Prev. Year
<div> <div>----- 1,000 Acres -----</div> <div>Bushels</div> <div>1,000 Bushels</div> </div>										
WINTER WHEAT										
Northwest	1,060	1,060	920	985	107	29	40	26,440	39,200	148
West Central	1,200	1,240	885	1,175	133	27	41	23,865	47,600	199
Southwest	1,545	1,750	1,010	1,605	159	27	36	27,215	58,500	215
North Central	1,230	1,390	1,120	1,315	117	38	58	42,885	76,200	178
Central	1,460	1,500	1,400	1,440	103	37	60	51,220	85,800	168
South Central	2,195	2,340	1,900	2,185	115	33	52	61,755	112,900	183
Northeast	150	200	145	195	134	49	63	7,165	12,300	172
East Central	224	270	215	265	123	40	57	8,605	15,000	174
Southeast	536	550	505	535	106	36	52	18,150	27,800	153
State	9,600	10,300	8,100	9,700	120	33	49	267,300	475,300	178
CORN										
Northwest	500	420	263	360	137	111	142	29,145	51,000	175
West Central	238	230	119	200	168	90	132	10,680	26,400	247
Southwest	774	540	693	520	75	168	185	116,480	96,000	82
North Central	224	190	138	170	123	99	109	13,720	18,600	136
Central	133	120	94	110	117	118	129	11,110	14,200	128
South Central	358	370	313	350	112	150	154	46,960	54,000	115
Northeast	520	480	428	460	107	62	64	26,330	29,600	112
East Central	283	290	244	280	115	68	76	16,620	21,400	129
Southeast	220	260	208	250	120	91	94	18,955	23,600	125
State	3,250	2,900	2,500	2,700	108	116	124	290,000	334,800	115
SOYBEANS										
Northwest	65	70	54	68	126	40	36	2,160	2,475	115
West Central	24	30	20	28	140	25	22	500	620	124
Southwest	77	100	71	95	134	45	53	3,195	5,025	157
North Central	306	315	250	280	112	20	24	5,000	6,630	133
Central	202	175	166	172	104	23	26	3,800	4,510	119
South Central	229	225	218	220	101	39	39	8,522	8,650	102
Northeast	612	630	575	614	107	22	22	12,650	13,550	107
East Central	641	625	615	610	99	19	22	11,408	13,465	118
Southeast	594	530	571	513	90	20	25	11,185	12,675	113
State	2,750	2,700	2,540	2,600	102	23	26	58,420	67,600	116



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MARKET IMPLICATIONS

by Bill Tierney, Kansas State University - Extension Service

The USDA released its first official estimate of 2003 corn and soybean production, based on crop conditions as they prevailed around August 1. Corn production was pegged at 10.064 billion bushels, 11.7 percent above last year's crop and exceeding the previous record crop of 1994 by 13 million bushels. However, the estimate was 206 million bushels less than the USDA's July projection, and nearly 230 million bushels below the average of industry analysts' pre-release estimates. Last year's crop was 9.008 billion bushels. Corn crop conditions have declined and are just slightly above average for this time of year. Yield models (based on weekly crop condition and the yield estimates published in the August Crop Report) project the national corn yield at 138.5 bushels (plus or minus 2 bushels). The August Crop Report's yield projection was 139.9 bushels. Last year's yield was 130 bushels. Since 1950, the annual corn crop has been larger than the August crop estimate 66 percent of the time. On average the annual crop is 1.3 percent larger than the August estimate. That would imply that the 2003 corn crop could increase in size by another 523 million bushels. Somewhat surprising was that in all but one of the 19 principal corn producing states (N. Carolina) there were no changes made in the estimates for harvested acres. Several states have been hit by the drought and high temperatures during the month of July. Therefore, it seems likely that harvested acres in these states will decline from their current estimates.

The USDA also released revised projections for 2003/04 corn supply:demand. The most significant changes were: (1) total supplies were lowered 205 million bushels; (2) feed and residual use was lowered by 25 million bushels but industrial use was increased by the same amount; (3) exports were reduced 50 million bushels; and (4) corn ending stocks were cut by almost 155 million bushels. The USDA also dropped the estimate for 2003/04 total feed grain ending stocks by 4.5 million metric tons (the equivalent of 177 million bushels of corn). That reduces the estimate of feed grain ending stocks/use to 12.5 percent, up modestly from last year's 11 percent. As a consequence of these changes in the supply:demand figures, the midpoint of the USDA's projected price range for corn was raised \$.10 and now stands at \$2.20 which is just \$.10 less than last year's price of \$2.30.

Milo production was estimated to be 448 million bushels, 19 percent below the USDA's July projection but close to the average of industry analysts' pre-release estimates. This year's crop is the second smallest in 46 years and is only larger than last year's crop of 370 million bushels. The August crop report's yield projection was 54.4 bushels. Last year's yield was 50.7 bushels.

The soybean crop was 2,862 million bushels, eight-tenths of a percent less than the USDA's July projection, 81 million bushels less than the average of industry expectations, and below the lowest pre-release estimate. However, this year's crop is well above last year's 2,730 million bushels. Yield models indicate that the Nation's soybean yield has declined about six-tenths of a bushel since the crop survey was conducted. The August Crop Report's yield projection was 39.4 bushels. Since 1950, the annual soybean crop has been larger than the August crop estimate 61 percent of the time. On average (for all years), the annual crop is six-tenths of a percent larger than the August estimate. That would imply that the 2003 soybean crop could increase in size by another 135 million bushels.

The USDA also released revised projections for 2003/04 soybean supply-demand. Beginning stocks were reduced 10 million bushels, and usage was increased 7 million bushels. As a consequence, projected ending stocks have shrunk by 40 million bushels from the July projection. The midpoint of the USDA's projected price range was raised to \$5.05, up \$.20 from the July price projection but down \$.45 from last year's price of \$5.50. The USDA raised its projection for soybean exports to 1,000 million bushels. When soymeal and soyoil exports are included in the calculations, approximately 1,257 million bushels of soybeans will be exported next year - about 45 percent of total disappearance. The reduction in the export projection was due to an increase in projections for Brazilian and Argentine soybean and soymeal exports. Industry sources indicate Brazil's soybean area could increase 8-10 percent this year.

If soybean yield projections continue to decline, and if China's on-again, off-again games with soybean imports don't disrupt the overall level of China's soybean imports too much, then November soybean futures could rise to the mid \$5.80-\$5.90 level sometime in the next 30-45 days.

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